Registration number 06050613

Lombard Capital PLC

Annual Report and Financial Statements
for the year ended 31 March 2017

Table of Contents

Company Information

Directors:	David William Grierson Nigel Brent Fitzpatrick (Non-Executive)
Registered office:	Steve Monico Limited 19 Goldington Road Bedford MK40 3JY
Company number:	06050613
Secretary:	Steve Monico Limited
NEX Corporate Adviser:	Alfred Henry Corporate Finance Ltd 5-7 Cranwood Street London EC1V 9EE
Registrars:	Share Registers Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
Independent Auditor:	Jeffreys Henry LLP 5-7 Cranwood Street London EC1V 9EE

Chairman's Statement

for the year ended 31 March 2017

Dear Shareholders

During the year under review your Board has been working towards producing secure investments where the instrument is re-insured with an A Rated Lloyds Insurer. The work continues to progress satisfactorily.

Your directors recently re-opened the 7.5% 2018 Unsecured Loan Note with Warrants and the remaining £55,000 of Notes were purchased by a single investor.

Your directors are currently close to finalising a 7.5% 2020 Unsecured Loan Note Series 2 with Warrants. This offers 30 month Notes with a minimum subscription of £500,000 and a maximum of £3,000,000. The proceeds of this offer will, after costs, be used to invest in secure instruments covered by re-insurance that will provide a fixed income and a capital return.

Your directors are currently investigating the opportunity to assist in the provision and listing of a Bond secured by property.

I look forward to the future with enthusiasm and thank all my colleagues and our professionals for their support and advice.

I also thank you all as shareholders for your continuing support.

David Grierson

Chairman
Lombard Capital PLC

Strategic Report

for the year ended 31 March 2017

The Directors present their strategic report for the year ended 31 March 2017.

Business review

During the year under review the directors have continued to focus the Company on developing a reinsurance based investment product and in particular working towards producing secure investments where the instrument is re-insured with an A Rated Lloyds Insurer. At the same time the directors have now disposed of the non-core investments.

Future developments

The Company is continuing to develop a reinsurance based investment product to provide investors with stable income, without risk to capital. The Company expects to make an announcement in the near future.

Results and dividends

For the year ended 31 March 2017, the Company's loss after taxation from continuing operations was £190,440 (2016: £167,282 loss) and the loss per share was 7.1p (2016: 8.3p). The Directors do not recommend the payment of a dividend (2016: NIL).

Key performance indicators

The key performance indicators are set out below:

Company Statistics	2017	2016	Change %
Net (liability) / asset value	(£6,141)	£97,812	106.3%
Net (liability) / asset value per share	(0.2p)	4.3p	-95.3%
Closing share price	16.0p	10.0p	+6.0%
Market Capitalisation	£532,082	£226,815	+134.6%

Key business risks

The main business risk that the Company faces is that the investments are all illiquid and therefore the Company may not have sufficient cash resources to carry out its business plan and also cover the overhead expenses required to maintain its status as a quoted company.

Going concern

During the period, the Company made a loss of £190,440 and at the year-end had current liabilities of £127,063. The cash balance at the year end was £622, post year end the Company has generated £100,000 by the issue of loan notes, so at the time of signing of these accounts there are sufficient funds for the next 12 months and beyond.

The Chairman's statement has explained the current fundraising activities, therefore, the directors have formed the opinion that with the eradication of debt and the inflow of funds from the conversion of warrants and the sale of investment assets that the Company will secure adequate funds for the working capital requirements of for the Company in the foreseeable future. Further, this will ensure that adequate arrangements will be in place to enable the settlement of their financial commitments as and when they fall due.

For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements. Whilst there are inherent uncertainties in relation to future events, and therefore no certainty over the outcome of the matters described, the Directors consider that, based on financial projections and dependent on the success of their efforts to complete these activities, the Company will be a going concern for the next 12 months.

For and on behalf of the Board

D.W. Grierson

31 August 2017

Directors' Report
for the year ended 31 March 2017

The Directors present their report together with the audited financial statements for the year ended 31 March 2017.

Principal activity

The principal activity of the Company has been solely as an investor in pre IPO companies and companies quoted on AIM and the NEX Growth Market. Additionally, the Company is currently developing a reinsurance based product to provide stable income for investors without risk to capital.

Financial risk management objectives and policies

Details of the financial risk management objectives and policies are provided in note 13 to the financial statements.

Post balance sheet events

Details of post balance sheet events are provided in note 18 to the financial statements.

Directors

The Directors of the Company during the year and subsequently are set out below:

Nigel Brent Fitzpatrick	(appointed 2 November 2015)
David William Grierson	(appointed 15 January 2016)

Substantial shareholders

The only interests in excess of 3% of the issued share capital of the Company which have been notified to the Company as at 22 August 2017 were as follows:

	Shareholding	%
Platform Securities Nominees Limited	1,374,000	40.41
Sunvest Corporation Limited	455,000	13.38
Harewood Nominees Limited	383,500	11.28
Ferlim Nominees Limited	248,187	7.30
Religare Capital Markets (Europe) Limited	214,000	6.29
Lynchwood Nominees Limited	201,677	5.93
Winterflood Securities Limited	116,165	3.42

D W Grierson, a director of the Company, holds 665,000 of the 1,374,000 shares held under Platform Securities Nominees Limited.

Directors remuneration

Details of directors' remuneration is set out in note 4 to the financial statements.

Directors' Report continued

for the year ended 31 March 2017

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report and Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and they are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Directors is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

The auditors Jeffreys Henry LLP were re-appointed in August 2016 and a resolution that they be reappointed will be proposed at the Annual General Meeting.

On behalf of the Board

D.W. Grierson

31 August 2017

Independent Auditor's Report

for the year ended 31 March 2017

We have audited the financial statements of Lombard Capital Plc for the year ended 31 March 2017 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position and Statement of Cashflows, the Statement of Changes in Equity, and the Related Notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Statement and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the Company's ability to continue as a going concern. The Company incurred a loss of £190,440 during the year ended 31 March 2017 and, at that date the current liabilities had exceeded the Company's total assets by £6,141 and it had net current liabilities of £127,063. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Sanjay Parmar
Senior Statutory Auditor

For and behalf of
Jeffreys Henry LLP (Statutory Auditors)
Finsgate, 5-7 Cranwood Street
London, EC1V 9EE 31 August 2017

Income Statement

for the year ended 31 March 2017

	Notes	2017 £	2016 £
Continuing operations:			
Investment income		**-**	34
Operating expenses		**(190,440)**	(119,928)
Impairment of investments	7	**-**	(47,388)
Operating loss and loss before taxation	3	**(190,440)**	(167,282)
Taxation expense	5	**-**	-
Loss for the year, attributable to owners of the Company		**(190,440)**	(167,282)
Loss per share attributable to owners of the Company during the year		**pence**	pence
Basic and diluted			
Total and continuing operations	6	**(7.1)**	(8.3)

Statement of Changes in Comprehensive Income

for the year ended 31 March 2017

		2017 £	2016 £
Loss for the financial year		**(190,440)**	(167,282)
Other comprehensive income:			
Market value adjustment to investments	**7**	**-**	(97,500)
Impairment of investments – reclassification to income statement	**7**	**-**	45,698
Total comprehensive income for the year		**(190,440)**	(219,084)

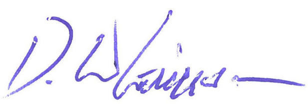
The notes on pages 10 to 18 form part of the financial statements.

Statement of Financial Position

as at 31 March 2017

	Notes	2017 £	2016 £
Non-current assets			
Available for sale investments	7	**112,500**	135,810
Current assets			
Trade and other receivables	8	**7,800**	7,800
Cash and cash equivalents	9	**622**	2,668
Total current assets		**8,422**	10,468
Total assets		**120,922**	146,278
Equity			
Share capital	11	**193,223**	192,165
Share premium		**866,103**	767,514
Share option reserve		**13,160**	26,320
Investment revaluation reserve		**100,184**	100,184
Retained earnings		**(1,178,811)**	(988,371)
Equity attributable to owners of the Company and total equity		**(6,141)**	97,812
Current liabilities			
Trade and other payables	10	**127,063**	48,466
Total equity and liabilities		**120,922**	146,278

These financial statements were approved by the Board, authorised for issue and signed on their behalf on 31 August 2017 by:



D.W. Grierson

Company registration number: 06050613 (England & Wales)

The notes on pages 10 to 18 form part of the financial statements.

Statement of Cashflows

for the year ended 31 March 2017

	Notes	2017 £	2016 £
Operating activities			
Loss before tax		**(190,440)**	(167,282)
Impairment of investments – reclassification from reserves		**-**	45,698
Impairment of investments – recognised in the year		**-**	1,690
Investment income		**-**	(34)
Share based payment		**-**	26,320
Increase in trade and other receivables		**-**	(7,580)
Increase/(decrease) in trade and other payables		**78,597**	(34,536)
Net cash flow from operating activities		**(111,843)**	(66,652)
Investing activities			
Investment income		**-**	34
Proceeds from sale of available-for-sale assets		**23,310**	
Net cash flow from investing activities		**23,310**	34
Financing activities			
Proceeds from issue of shares		**86,487**	12,250
Net cash flow from financing activities		**86,487**	12,250
Net decrease in cash and cash equivalents		**(2,046)**	(54,368)
Cash and cash equivalents at start of year		**2,668**	57,036
Cash and cash equivalents at the end of the year/period		**622**	2,668
Cash and cash equivalents comprise:			
Cash and cash in bank		**622**	2,668
Cash and cash equivalents at end of year/period		**622**	2,668

The notes on pages 10 to 18 form part of the financial statements.

Statement of Changes in Equity

for the year ended 31 March 2017

	Share Capital £	Share Premium £	Share Option Reserve £	Investment Revaluation Reserve £	Retained Earnings £	Total Equity £
Balance at 1 April 2015	191,815	755,614	-	151,986	(821,089)	278,326
Loss for the year	-	-	-	-	(167,282)	(167,282)
Issue of shares	350	11,900	-	-	-	12,250
Share based payment	-	-	26,320	-	-	26,320
Impairment of investments – reclassified to income statement	-	-	-	45,698	-	45,698
Market value adjustment to investments	-	-	-	(97,500)	-	(97,500)
Total comprehensive income	350	11,900	26,320	(51,802)	(167,282)	(180,514)
Balance at 31 March 2016	192,165	767,514	26,320	100,184	(988,371)	97,812
Balance at 1 April 2016	192,165	767,514	26,320	100,184	(988,371)	97,812
Loss for the year	-	-	-	-	(190,440)	(190,440)
Issue of shares	1,058	85,429	-	-	-	86,487
Share based payment	-	13,160	(13,160)	-	-	-
Impairment of investments – reclassified to income statement	-	-	-	-	-	-
Market value adjustment to investments	-	-	-	-	-	-
Balance at 31 March 2017	193,223	866,103	13,160	100,184	(1,178,811)	(6,141)

Share capital is the amount subscribed for shares at nominal value.

Share premium is the amount subscribed for share capital in excess of nominal value.

Share option reserve relates to share-based payment charges recognised.

Investment revaluation reserve represents the temporary movement in fair value of available-for-sale investments.

Retained earnings represents accumulated profit or loss to date.

The notes on pages 10 to 18 form part of the financial statements.

Notes to the Financial Statements

for the year ended 31 March 2017

1 General information

Lombard Capital Plc is a limited company incorporated and domiciled in the United Kingdom. The registered office is 19 Goldington Road, Bedford, MK40 3JY.

2 Principal accounting policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), and IFRIC interpretations as adopted in the European Union and as applied in accordance with the provisions of the Companies Act 2006, and under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the Financial Statements, are disclosed later in these accounting policies.

The financial statements are presented in sterling (£).

Going concern

During the period, the Company made a loss of £190,440 and at the year-end had current liabilities of £127,063. The cash balance at the year end was £622, post year end the Company has generated £100,000 by the issue of loan notes, so at the time of signing of these accounts there are sufficient funds for the next 12 months and beyond.

The Chairman's statement has explained the current fundraising activities, therefore, the directors have formed the opinion that with the eradication of debt and the inflow of funds from the conversion of warrants and the sale of investment assets that the Company will secure adequate funds for the working capital requirements of for the Company in the foreseeable future. Further, this will ensure that adequate arrangements will be in place to enable the settlement of their financial commitments as and when they fall due.

For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements. Whilst there are inherent uncertainties in relation to future events, and therefore no certainty over the outcome of the matters described, the Directors consider that, based on financial projections and dependent on the success of their efforts to complete these activities, the Company will be a going concern for the next 12 months.

Changes in accounting policy

At the date of authorisation of these financial statements the following standards and interpretations were in issue but not yet effective and therefore have not been applied in these financial statements:

IFRS 5	Non current assets held for sale and discontinued operations
IFRS 7	Financial instruments
IFRS 9	Financial instruments
IFRS 10 (amended)	Consolidated Financial Statements
IFRS 11 (amended)	Joint Arrangements
IFRS 12 (amended)	Disclosure of Interests in Other Entities
IFRS 14	Regulatory deferral accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 17	Insurance Contracts
IAS 1 (amended)	Presentation of Items of Other Comprehensive Income
IAS 16 & 41 (amended)	Property, Plant and Equipment
IAS 19	Employee benefits
IAS 27 (amended)	Separate Financial Statements
IAS 28 (amended)	Investments in Associates and Joint Ventures
IAS16 & 38 (amended)	Intangible assets
IAS 34	Interim financial reporting

In addition, there are certain requirements of Improvements to IFRSs which are not yet effective.

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Company.

Notes to the Financial Statements

for the year ended 31 March 2017

Key estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The only estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to the valuation of unquoted investments. These are valued in accordance with the techniques set out in the accounting policy for 'Available for sale investments' on page 11.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is the tax currently payable based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the group is able to control the reversal of the temporary difference and it I probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the profit or loss income statement, except where they relate to items that are recognised in other comprehensive income in which case the related deferred tax is also charged or credited directly to equity.

Segmental reporting

A segment is a distinguishable component of the Company's activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

As the chief operating decision maker reviews financial information for and makes decisions about the Company's investment activities as a while, the directors have identified a single operating segment, that of investing in or acquiring assets, business or companies in the soft commodities sector.

Financial assets

The Company's financial assets comprise investments held for trading, associated undertakings, cash and cash equivalents and loans and receivables.

Available for sale Investments

Investments are initially measured at fair value plus incidental acquisition costs. Subsequently they are measured at fair value in accordance with IAS 39. In respect of quoted investments, this is either the bid price at the period end date of the last traded price or the last traded price, depending on the convention of the exchange on which the investment is quote, with no deduction for any estimated future selling cost. Unquoted investments are valued by the directors using primary valuation techniques such as recent transactions, last price and net asset value.

Investments are recognised as available-for-sale financial assets. Gains and losses on measurement are recognised in other comprehensive income except for impairment losses and foreign exchange gains and losses on monetary items denominated in a foreign currency, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Notes to the Financial Statements

for the year ended 31 March 2017

The Company assesses at each period end date whether there is any objective evidence that a financial assets or group of financial assets classified as available-for-sale has been impaired. An impairment loss is recognised if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset. A significant or prolonged decline in the fair value of a security below its cost shall be considered in determining whether the asset is impaired.

When a decline in the fair value of a financial asset held as available-for-sale has been previously recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss is removed from other comprehensive income and recognised in profit or loss. The loss is measured as the difference between the cost of the financial asset and its current fair value less any previous impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current and deposit balances deposits at banks, together with other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The investment revaluation reserve represents the difference between the purchase costs of the available-for-sale investments less any impairment charge and the market value of those investments at the accounting date.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

Financial liabilities

Financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance cost in the income statement using the effective interest rate method.

The Company's financial liabilities comprise trade and other payables.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

3 Loss from operations

Loss from operations is stated after charging:

	2017	2016
	£	£
Auditors' remuneration for auditing of accounts	**20,400**	8,100
Auditors' remuneration for non-audit services	**-**	-

Notes to the Financial Statements

for the year ended 31 March 2017

4 Directors remuneration

The Company had no employees in the year under review, or the prior year. During the year there has been one executive director and one non-executive director.

	2017 No.	2016 No.
Administration	1	**1**

	2017 **£**	2016 £
Director's remuneration – fees:		
Charlotte Argyle	-----	4,500
Russell Darvill	-----	4,500
N Brent Fitzpatrick	**12,000**	500
David Grierson	**48,000**	-
Mark Jackson	-----	4,800
Graham Jones	-----	2,640
	60,000	16,940

The highest paid director was not granted nor did he exercise any share options during the year. He also did not receive any shares in respect of qualifying services under a long term incentive scheme.

5 Taxation

	2017 **£**	2016 £
UK corporation tax	**-**	-
Deferred tax	**-**	-
Tax charge	**-**	-

Tax reconciliation

	2017 **£**	2016 £
Loss before tax	**(190,440)**	(167,282)
Tax at 20% (2016: 20%) on loss before tax	**(38,088)**	(33,456)
Effects of:		
Add back disallowable expenses	**-**	14,742
Unrelieved losses carried forward	**38,088**	18,714
Total tax (credit)/expense	-	-

The unutilised tax losses of the Company available for set off against future taxable profits are estimated to be £740,000 (2016: £700,000). The Company has not recognised a deferred tax asset in respect of these losses as there is insufficient evidence of future taxable profits.

Notes to the Financial Statements

for the year ended 31 March 2017

6 Earnings per share

The basic and diluted earnings per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2017	2016
	£	£
Earnings		
Loss for the purposes of basic and fully diluted loss per share	**(190,440)**	(167,282)
Number of shares		
Weighted average number of shares for calculating basic and fully diluted earnings per share	**2,682,971**	2,026,210
	2017	2016
	pence	pence
Earnings per share		
Basic and fully diluted loss per share	**(7.1)**	(8.3)

During the year end the company issued up to £100,000 warrants, full details are disclosed in note 15.

7 Available for sale investments

	2017	2016
	£	£
Investments at cost less impairment brought forward	**135,810**	83,014
Cost of impairment – reclassified from reserves	**-**	(45,698)
Cost of impairment – recognised in the year	**-**	(1,690)
Investments at cost less impairment at year end	**-**	35,626
Disposals	**(23,310)**	-
Market value adjustment	**-**	100,184
Market value of investments at year end	**112,500**	135,810
Categorised as:		
Level 1	**-**	-
Level 2	**-**	-
Level 3	**112,500**	135,810
	112,500	135,810

The table above sets out the fair value measurements using the IFRS7 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 - valued using quoted prices in active markets for identical assets.
Level 2 – valued by reference to valuation techniques using observable inputs other that quoted prices included within Level 1.
Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.
The valuation techniques used by the company are explained in the accounting policy note, 'available for sale investments'.

Level 3 financial assets

Reconciliation of Level 3 fair value measurement of financial assets	**2017**	2016
	£	£
Brought forward	**135,810**	212,500
Market value adjustment	**-**	(75,000)
Disposals	**(23,310)**	-
Impairment in the year	**-**	(1,690)
Carried forward	**112,500**	135,810

Notes to the Financial Statements

for the year ended 31 March 2017

7 Available for sale investments continued

Level 3 valuation techniques used by the Company are explained on page 11.

The value of £112,500 relates to shares held in Prego International Limited which have been placed on the JP Jenkins matched-bargain platform and the valuation is based on the indicative price, which is based on buy and sell limits from brokers. Disposals of £23,310 relates to shares held in Elevate Platform Limited which were sold at fair value.

8 Trade and other receivables

	2017	2016
	£	£
Prepayments	**7,800**	7,800
	7,800	7,800

The fair value of trade and other receivables is considered by the directors not to be materially different to the carrying amounts.

9 Cash and cash equivalent

	2017	2016
	£	£
Cash at banks	**622**	2,668
	622	2,668

10 Trade and other payables

	2017	2016
	£	£
Trade payables	**36,439**	30,466
Accrued charges	**90,624**	18,000
	127,063	48,466

The fair value of trade and other payables is considered by the directors not to be materially different to the carrying amounts.

11 Share capital

	2017	2016
	£	£
Authorised capital		
500,000,000 ordinary shares of 0.1p each	**500,000**	500,000
2,000,000 redeemable shares of 1p each	**20,000**	20,000
	520,000	520,000
Issued and fully paid		
3,325,514 new ordinary shares of 0.1p	**3,326**	2,268
1,918,150 deferred shares of 9.9p	**189,897**	189,897
	193,223	192,165

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

On 8 September 2016 the company announced that it had received notice from all of the holders of the convertible loan notes, issued in the year, to convert them into 450,000 ordinary shares. The total amount outstanding was £45,000. Furthermore, an additional 7,364 ordinary shares were issued to the holders of the loan notes in respect of interest due.

Notes to the Financial Statements

for the year ended 31 March 2017

11 Share capital continued

On 4 November 2016 the company announced that it had received notices from holders of 250,000 warrants to convert them into 250,000 ordinary shares for the consideration of £25,000.

On 1 February 2017 the company announced that it had received notice from a holder of 350,000 options to exercise the options at a price of 4.5p per share.

12 Investment revaluation reserve

	2017	2016
	£	£
Balance brought forward	**100,184**	151,986
Market value adjustment in year		(97,500)
Impairment – reclassified to income statement	**-**	45,698
Balance carried forward	**100,184**	100,184

13 Risk management objectives and policies

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated by the board of directors, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continues to prove returns and benefits for shareholders
- to support the Company's growth: and
- to provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages the capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes. There have been no changes in this since the previous reporting date.

Credit risk

The Company's financial instruments, that are subject to credit risk, are cash and cash equivalents. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable financial institutions.

The Company's maximum exposure to credit risk is £622 (2016: £2,668) comprising cash and cash equivalents.

Liquidity risk

Liquidity risk is managed by means of ensuring sufficient cash and cash equivalents are held to meet the Company's payment obligations arising from administrative expenses. The cash and cash equivalents are invested such that the maximum available interest rate is achieved with minimal risk.

Financial assets comprise, cash of £622 and are available in demand. Financial liabilities comprise trade payables of £36,439 which are all payable within 3 months.

Notes to the Financial Statements

for the year ended 31 March 2017

13 Risk management objectives and policies continued

Market price risk

The Company's exposure to market price risk mainly arises from potential movements in the fair value of its investments. The Company manages this price risk within its long-term investment strategy to manage a diversified exposure to the market. If each of the Company's equity investments were to experience a rise of fall of 10% in their fair value, this would result in the Company's net asset value increasing or decreasing by £11,250 (2016: £13,581).

Financial assets by category

The IAS 39 categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

	2017	2016
	£	£
Financial assets:		
Available for sale investments	**112,500**	135,810
Cash and cash equivalents	**622**	2,668
	113,122	138,478

Financial liabilities by category

The IAS 39 categories of financial liability included in the balance sheet and the headings in which they are included are as follows:

	2017	2016
	£	£
Financial liabilities at amortised cost:		
Trade and other payables	**36,439**	34,667
	36,439	34,667

14 Share-based payments

On 1 December 2015 the Company announced that it granted options for a total of 700,000 ordinary shares of 0.1 pence each ("Ordinary Shares") representing approximately 31 per cent of the Company's issued ordinary share capital at the time of the grant, at an exercise price of 4.5 pence per share. The options were granted equally (350,000 each with a total exercise price of £13,160 per Director) to Directors, N B Fitzpatrick and G Jones, and vest immediately on grant. They are not subject to any performance conditions and will lapse 7 years from the date of grant.

The model takes into account volatility rates of 97.76%, which have been derived from historical information. A weighted average risk-free interest rate of 1.0% has been applied. The share price was 4.6 pence and the exercise prices of the options were 4.5 pence.

The amount of remuneration expense in respect of the share options granted amounts to £nil (period ended 31 March 2016: £26,320).

The inputs to the option pricing model are as follows:

	Options granted 1 December 2015
Share price at grant date (pence)	4.6
Exercise price (pence)	4.5
Expected life (years)	7
Annualised volatility (%)	97.76
Risk-free interest rate (%)	1.0
Fair value determined (pence)	3.8
Number of options granted	700,000

Notes to the Financial Statements

for the year ended 31 March 2017

14 Share-based payments continued

On 16 December 2015, the options held by N B Fitzpatrick and G Jones were reassigned to Merico Financial Inc. and D W Grierson respectively. The options assigned to Merico Financial Inc. were subsequently assigned to Sir M Marshall. D W Grierson is a director of the company.

The options held by Sir M Marshall were exercised on 1 February 2017, 350,000 shares were issued at exercise price of 4.5p.

The options held by D W Grierson have not been exercised and remain outstanding at the reporting date.

15 Convertible Instruments

Convertible unsecured loan notes 2018

On 3 May 2016 it was agreed that up to £100,000 of 7.5 per cent Convertible Unsecured Loan Notes 2018 would be issued. A convertible loan note instrument would be issued.

Warrants would be issued to those that subscribe for these loan notes carrying the right to subscribe for new Ordinary Shares of £0.001 each. These warrants entitle holders of £100 convertible notes to subscribe for 1,000 new ordinary shares. Each warrant has a right to buy the same amount of ordinary shares at a price of 10 pence.

The following warrants were issued:

Date of issue	Held by	No of warrants	Reason for issue
21 May 2016	Sir M J Marshall	250,000	Issue of convertible loan notes of £25,000
21 May 2016	Investa Securities Ltd	100,000	Issue of convertible loan notes of £10,000
30 June 2016	Sir M J Marshall	100,000	Issue of convertible loan notes of £10,000
30 June 2016	D W Grierson (director)	100,000	Issue of warrants
30 June 2016	N B Fitzpatrick (non-executive director)	100,000	Issue of warrants
30 June 2016	Steve Monico Ltd (company secretary)	100,000	For secretarial services
30 June 2016	C A Potts	100,000	For introductions, services and advice
30 June 2016	Ernesto Sciarillo	50,000	For introductions, services and advice
30 June 2016	Ettorino Sciarillo	50,000	For introductions, services and advice
30 June 2016	Merico Financial Inc.	100,000	For introductions, services and advice

The following warrants remain unissued:

Date agreed	Held by	No of warrants	Reason for issue
30 June 2016	P Gravitt	100,000	For introductions, services and advice

On 8 September 2016 the company announced that it had received notice from all of the holders of the convertible loan notes, issued in the year, to convert them into 450,000 ordinary shares. The total amount outstanding was £45,000. Furthermore, an additional 7,364 ordinary shares were issued to the holders of the loan notes in respect of interest due.

On 4 November 2016 the company received notices from holders of 250,000 of warrants to convert to 250,000 shares for a consideration of £25,000.

At the year end 800,000 warrants were outstanding.

Notes to the Financial Statements

for the year ended 31 March 2017

16 Contingent liabilities

There were no contingent liabilities as at 31 March 2016 or 31 March 2017.

17 Capital commitments

There were no capital commitments authorised by the directors or contracted for at 31 March 2016 or 31 March 2017.

18 Post balance sheet events

Exercise of warrants

After the year end the company announced that it had received notice from the holders of 75,000 warrants to convert them into 75,000 ordinary shares for a consideration of £7,500.

Issue of loan notes

In August 2017 the Company announced it has issued £55,000 Convertible unsecured loan notes. The loan notes have been subscribed for and fully paid. At the time of the creation of the loan notes the directors resolved to create 1,000,000 warrants and each loan note holder receives the same number of warrants as Ordinary Shares that their loan note will convert to and as a result the remaining 550,000 warrants have been issued to the loan notes holder.

19 Related party transactions

The remuneration paid to the directors is set out in Note 4 to the financial statements.

20 Controlling party

As at 31 March 2017 and at the reporting date, the Company had no controlling party.